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TAGS: PREL PGOV ENRG AZ

SUBJECT: AZERBAIJAN PRESIDENTIAL ADVSIOR SAYS KRAKOW SUMMIT
A SUCCESS, BUT MORE TO DO

Classified By: A/DCM Joan Polaschik, Reasons 1.4 (b,d)

¶1. (C) SUMMARY. GOAJ Chief of the Presidential Apparat's Foreign Relations Department Novruz Mammadov told the Ambassador that the May 11 'Energy Summit' in Krakow, Poland among the heads of State of Azerbaijan, Ukraine, Lithuania, Georgia and Poland was "very important for Azerbaijan's Caspian Energy Cooperation with Europe." However, he decried the absence of high-level representation from Kazakhstan at this summit, and said that the USG needs to "redouble its efforts" towards this country. More generally, Mammadov said that the USG needs to increase the level of USG involvement in Caspian Energy issues, to counter Russian President Vladimir Putin's "courtship" of Turkmenistan and Kazakhstan. END SUMMARY.

¶2. (C) In a May 14 discussion with the Ambassador, GOAJ Chief of the Presidential Apparat's Foreign Relations Department Novruz Mammadov said that President Aliyev's just-concluded trip to Poland, to include his May 11 signing of an Energy Communique along with the Presidents of Ukraine, Georgia, Lithuania and Poland, was very important for Azerbaijan's Caspian Energy cooperation with Europe. The Summit communique was good, as was the creation of a working group to prepare proposals for cooperation among Caspian, Black and Baltic Sea countries.

¶3. (C) Although the communique mentioned cooperation on a range of fronts, Mammadov said for Azerbaijan the cooperation will focus mainly on energy (i.e. oil and gas). The GOAJ will help create structures towards implementing this energy cooperation, and to this end there will be joint working groups with a consortium of companies from the signatory countries. The focus will be on pipelines, with oil coming first and then gas and oil. Mammadov said all cooperation will be on a commercial basis, based on market prices. All the countries involved in the Krakow summit "showed a strong will to cooperate." However, Mammadov said the only problem was the absence of Central Asian countries. The senior representative from Kazakhstan was the Deputy Minister for Energy, who was perceived as "not senior enough" and who "brought no firm positions."

¶4. (C) Mammadov said that "Azerbaijan was in a delicate position" in this conference, as it was presented as one of the organizers of the conference, and was the only energy producer country participating. As such, "we are in a delicate position vis a vis Russia, who is already putting pressure on us."

¶5. (C) There will be a follow-on meeting in Vilnius, in October. For this meeting, Mammadov said that the GOAJ

will need the full support of the US Government and the EU. More generally, Mammadov said Russian President Vladimir Putin was "courting Turkmenistan and Kazakhstan at the Head of State level," and that if the US Government wishes to maximize the chances of success for its Energy Policy, it should increase the level of USG involvement in Caspian Energy issues

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